

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of:)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
A National Broadband Plan for our Future)	GN Docket No. 09-51
)	
High-Cost Universal Service Support)	WC Docket No. 05-337

COMMENTS OF THE NEBRASKA TELECOMMUNICATIONS ASSOCIATION

The Board of Directors of the Nebraska Telecommunications Association (NTA), representing local exchange carriers* that provide broadband services to customers throughout the state, submits these comments to the Federal Communications Commission (FCC) in the above-noticed proceedings as part of the National Broadband Plan (NBP).

NTA members often receive USF support in order to build and maintain the networks necessary, in part, for rural consumers to receive broadband services. These companies have employees who live and work in the rural communities they serve and they want broadband for themselves, their families and their neighbors. In adopting USF reforms, the Commission should not relegate the nation's rural consumers to substandard broadband services when compared to urban consumers and jeopardize the financial viability of the carriers upon whom these rural consumers have long relied for voice and now broadband services. A swift and certain way to reduce broadband investment in rural areas is to threaten policy changes that would result in financial distress for local carriers thereby spooking lenders and investors today. The following paragraphs summarize the NTA Board's initial concerns and recommendations in response to USF reforms contemplated by the National Broadband Plan.

First, the Commission should recognize that the universal service levels of supported broadband service will need to exceed speeds of only 4 mbps downstream and 1mbps upstream in the future. While it is critical that all rural consumers first be able to access baseline broadband service, such speeds may be well below what are generally available to many, if not most, urban consumers today and could relegate much of the nation's rural consumers to substandard broadband service if never improved upon. It is highly suspect how such universal service standards could be deemed reasonably comparable to speeds available in urban areas for up to a

decade. Moreover, Section 254 speaks of comparable services for all Americans and rejects the notion that one level of service is sufficient for part of America while a lesser service level is sufficient for a different group of Americans.

Second, the NTA Board is troubled with the FCC's lack of attention to Carrier of Last Resort (COLR) requirements. Other than a passing mention of COLR requirements, the Notice of Proposed Rulemaking and Notice of Inquiry (Notices) devote no meaningful attention to important COLR regulations that are maintained in most states, including Nebraska. The current COLR obligations have served customers well, and serious attention must be given to determine what these requirements should be during a transition to policies focused on broadband services.

Third, based on initial analysis of NTA member companies, the National Broadband Plan's investment gap analysis should not be relied upon when determining the basis for USF support, because the FCC's investment gap analysis: (1) is biased toward a 4G wireless platform in unserved areas that underestimates the costs of such platform and overestimates its long-term scalability; (2) does not adequately consider the ongoing support that will be necessary to maintain the existing broadband networks in rural areas, including the transport facilities upon which all services rely, even if those networks are not recipients of future broadband USF; (3) using the county modeling methodology, suggests funds should be distributed on a county-level basis – a measure that would fail to leverage the many instances of existing availability of broadband services with currently deployed facilities; and (4) largely ignores the very real technical limitations of 4G technology, especially in rural areas, and the fact that the speeds such technology can deliver will not be satisfactory for rural consumers in the long term, and in fact will not be for many consumers even at the onset of the NBP. With respect to the assessment of 4G wireless in particular, NTA member companies are troubled that the investment gap analysis does not appear to account for the top 10% of broadband users (which are responsible for approximately 65% of network capacity needs) when modeling wireless costs, and the analysis seems to presume that wireless broadband providers (unlike wired providers) would not be required to offer 4/1 Mbps speeds throughout an entire unsupported area. The gap analysis also appears to adopt unjustifiably different approaches to assessing the degree to which wireless and wired broadband services would generate new revenues that could help offset deployment costs.

Fourth, NTA member companies are troubled by how the Notices propose to utilize an auction process – either reverse auctions or procurement auctions in which a bidding party could apparently be required to deploy communications facilities throughout an entire county, without regard to the limitations that existing carriers would face. Such limitations that existing carriers face in any auction scenario include COLR responsibilities, which are brushed aside in the Notices; existing service area territory boundaries that necessarily limit the extent of existing facilities; and lack of spectrum licenses, which only the largest carriers possess nationally and thus, tilting any auction toward these carriers that have the resources to leverage such spectrum. These limitations could provide built-in advantages for a speculative 4G service provider in an auction scenario. In short, the would-be 4G bidder would have all upside and no downside in such an auction, while the existing carrier faces the prospect of going out of business if it were to lose an auction.

Fifth, the NTA Board is dismayed that the NBP states from the outset that it is seeking to meet the nation's broadband goals – clearly a new universal service funding objective – but not do so by increasing existing total high-cost federal support. NTA is concerned that this approach could lead the Commission to propose to eliminate significant, necessary revenue sources that are available today to help fund the infrastructure that has been deployed – a measure that would be suspect even by the FCC's own admission and is akin to knowingly building a new house on a crumbling foundation.

Finally, the NTA Board makes an overall observation that contrary to this FCC's public pronouncements of transparency in its proceedings, the cost model whose results have been produced in this Technical Paper and the accompanying documentation are insufficient for outside parties to reasonably assess the methodology and, especially, the reliability and fairness of the results. For a matter of such supreme importance for our nation, the NTA Board finds it troubling that this comment process is built upon a methodology that was performed in secrecy and is devoid of transparency in source documentation for this comment cycle.

The NTA Board urges the FCC to address the above-stated concerns in future notices. The future existence of broadband services to rural citizens and the financially stable providers necessary to offer these services will be in peril if the NBP proceeds on the course contemplated in the notices.

July 12, 2010

Respectfully submitted,

NEBRASKA TELECOMMUNICATIONS
ASSOCIATION

By: Eric B. Carstenson

Eric B. Carstenson

President

801 Lincoln Square

121 South 13th Street

Lincoln, NE 68508

402/476-2423

**CenturyLink is a member of the Association but takes no part in these comments.*